

No. 9654

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
GABON**

**Loan Agreement—*Second Highway Project* (with annexed  
Loan Regulations No. 3, as amended). Signed at  
Washington on 10 January 1969**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on  
23 June 1969.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
GABON**

**Contrat d'emprunt — *Deuxième projet routier* (avec, en  
annexe, le Règlement n° 3 sur les emprunts, tel  
qu'il a été modifié). Signé à Washington le 10 janvier  
1969**

*Texte authentique: anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développe-  
ment le 23 juin 1969.*

## LOAN AGREEMENT <sup>1</sup>

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AGREEMENT, dated January 10, 1969, between the REPUBLIC OF GABON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

### *Article I*

#### LOAN REGULATIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961 as amended February 9, 1967, <sup>2</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3, as so modified, being hereinafter called the Loan Regulations): Section 4.01 is deleted.

### *Article II*

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to six million dollars (\$ 6,000,000).

*Section 2.02.* (a) The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan.

(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspensions set forth in, this Loan Agreement and the Loan Regulations and in accordance with the allocation of the proceeds of the Loan set forth in Schedule I to this Loan Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

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<sup>1</sup> Came into force on 11 April 1969, upon notification by the Bank to the Government of Gabon.

<sup>2</sup> See p. 24 of this volume.

*Section 2.03. (a)* The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods required for the Project and to be financed under this Loan Agreement :

- (i) such amounts as shall have been paid (or, if the Bank shall so agree, such amounts as shall be required to meet payments to be made) for the c.i.f. (Gabon border) price of goods produced, or for services supplied from, outside the territories of the Borrower and included under Categories B and C of the allocation of the proceeds of the Loan set forth in Schedule I to this Loan Agreement ; and
- (ii) the equivalent of seventy-five per cent (75 %) of such amounts as shall have been paid for expenditures under Category A of said Schedule I ; provided, however, that if there shall be an increase in the estimate of expenditures under such Category A, the Bank may by notice to the Borrower adjust the above percentage as required in order that withdrawals of the amount of the Loan then allocated to such Category A, and not withdrawn, may continue *pro rata* with the expenditures remaining to be made under such Category A.

(b) Except as shall be otherwise agreed between the Borrower and the Bank, no withdrawals shall be made on account of :

- (i) expenditures made prior to March 1, 1967, for Part I(b) of the Project described in Schedule II to this Loan Agreement ;
- (ii) expenditures made prior to the date of this Loan Agreement for any other part of such Project ;
- (iii) any payment for any taxes or duties levied on the import of goods into the territories of the Borrower, such as " droits de douane ", " droit fiscal d'entrée ", " taxe sur le chiffre d'affaires à l'importation ", " taxe complémentaire ", or any other such taxes or duties as are applicable or which may be subsequently established ; or
- (iv) expenditures made in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territories.

*Section 2.04.* Withdrawals from the Loan Account pursuant to Section 2.03(a) (ii) of this Loan Agreement shall be in such currency or currencies as the Bank shall from time to time reasonably select.

*Section 2.05.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1 %) per annum on the principal amount of the Loan not withdrawn from time to time.

*Section 2.06.* The Borrower shall pay interest at the rate of six and one-half per cent ( $6\frac{1}{2}\%$ ) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

*Section 2.08.* Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

*Section 2.09.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule III to this Loan Agreement.

### Article III

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Loan Agreement to expenditures on the Project described in Schedule II to this Loan Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree:

- (i) the goods (other than services of consultants) to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with "Guidelines for Procurement under World Bank Loans and IDA Credits", published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Bank; and
- (ii) contracts for the procurement of all goods to be financed out of the proceeds of the Loan shall be subject to the approval of the Bank.

*Section 3.03.* Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of the Project.

### Article IV

#### BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the prin-

cipal amount of the Loan as provided in Article VI of the Loan Regulations.

*Section 4.02.* The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The Minister of Finance of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

### *Article V*

#### PARTICULAR COVENANTS

*Section 5.01. (a)* The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, engineering, financial, and highway practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*(b)* The Borrower shall cause the works included in Part I(a) of the Project to be carried out by a contractor acceptable to the Bank, employed under a contract which shall have been approved by the Bank.

*(c)* To assist in carrying out Part I(c) and Part II of the Project, the Borrower shall employ or cause to be employed qualified and experienced consultants acceptable to the Bank, to an extent, and upon such terms and conditions as shall have been approved by the Bank.

*(d)* The general design standards to be used for the works included in the Project are set out in Schedule IV hereto, subject to modification by agreement between the Borrower and the Bank.

*(e)* The Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the reports, plans, specifications, contract documents, and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.

*(f)* The Borrower shall take all reasonable measures designed to permit the issuance of logging permits in the areas to be served by the Matorakoumameyong road in such time as shall ensure that the exploitation of the timber concessions and the logging operations in such areas shall begin no later than about four years from the date of this Loan Agreement.

*(g)* Except as the Borrower and the Bank shall otherwise agree, the Borrower undertakes to have the imported goods to be financed out of the proceeds of the Loan insured against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable

in a currency freely useable by the Borrower to replace or repair such goods.

*Section 5.02. (a)* The Borrower shall at all times adequately maintain, or cause to be adequately maintained the principal roads and bridges in its national and regional highway systems, in accordance with sound engineering practices and with due regard to economic requirements, and shall provide the maintenance equipment necessary therefor.

*(b)* The Borrower shall establish and maintain facilities to collect and record, in accordance with sound statistical methods and procedures, such technical, economic and financial information as shall be reasonably required for the proper planning of maintenance, improvements and extensions of the national and regional highway systems of the Borrower.

*(c)* The Borrower shall take all measures reasonably required to insure that the dimensions and axle-loads of vehicles using the roads in its national and regional highway systems shall not exceed limits consistent with the design standards of such roads, which the Borrower shall establish after consultation with the Bank.

*Section 5.03.* The Borrower shall (i) maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and the operations and financial condition with respect to the public highway system, of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof ; (ii) enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents ; and (iii) furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods to be financed out of the proceeds of the Loan, and the operations and administration with respect to the Project of the agency or agencies of the Borrower responsible for carrying out the Project or any part thereof.

*Section 5.04. (a)* The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

(d) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

*Section 5.05.* It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision.

*Section 5.06.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories, and free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

*Section 5.07.* The Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof, and the Borrower shall pay all such taxes, if any,

imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then, at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Loan Agreement or in the Bonds to the contrary notwithstanding.

#### Article VII

##### TERMINATION ; MISCELLANEOUS

*Section 7.01.* The date April 15, 1969 is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Section 7.02.* The Closing Date shall be June 30, 1972 or such other date as may from time to time be agreed between the Borrower and the Bank.

*Section 7.03.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministre des Affaires Économiques, du Développement, du Plan, des  
Mines, de l'Énergie et des Ressources Hydrauliques

Boîte Postale 548

Libreville

Gabon

Alternative address for cables :

Mineco

Libreville

For the Bank :

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America



Alternative address for cables :

Intbafrad  
Washington, D.C.

*Section 7.04.* The Minister of the Borrower at the time responsible for Economic Affairs is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia United States of America, as of the day and year first above written.

Republic of Gabon :  
By Léonard A. BADINGA  
Authorized Representative

International Bank for Reconstruction and Development :  
By J. Burke KNAPP  
Vice President

#### SCHEDULE I

##### ALLOCATION OF THE PROCEEDS OF THE LOAN

<i>Category</i>	<i>Maximum Amounts Expressed in Dollar Equivalent</i>
A. Highway construction under Part I (a) of the Project . .	2,950,000
B. Consultants' services under Parts I and II of the Project	1,750,000
C. Equipment and spare parts under Part III of the Project	200,000
D. Unallocated . . . . .	1,100,000
	<u>TOTAL</u> <u>6,000,000</u>

##### REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories A through C shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category D.

2. If the estimate of the cost of the items included in any of the Categories A through C shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan, (or, in the case of Category A, an amount equal to 75 % of such increase), will be allocated by the Bank, at the request of the Borrower, to such Category from Category D, subject, however, to the requirements for contingencies, as determined by the Bank in respect of the cost of the items in the other Categories.

## SCHEDULE II

### DESCRIPTION OF PROJECT

The Project consists of the following parts :

#### I. (a) The construction of :

- (i) A two-lane Lalara-Mitzic road, north from Lalara (about 55 km) ; and
- (ii) A two-lane Lalara-Matora-Koumameyong road, east from Lalara (about 64 km) ;

(b) The detailed engineering and preparation of bidding documents for the above road construction ; and

(c) The supervision of the above road construction.

#### II. (a) Feasibility studies for the following bridge and road sections, totalling to about 230 kilometers :

- (i) the N'Gounie River bridge, at Mouila ;
- (ii) the Fougamou-Mouila-Divevi road (about 165 km long) ;
- (iii) the Divevi-Lebamba road (about 20 km long) ; and
- (iv) the Youmbi-Mandji road (about 45 km long) ; and

(b) Detailed engineering, and preparation of bidding documents, for : (i) about 180 kilometers of road sections identified by the feasibility studies to be of the highest priority, and acceptable to the Bank, and (ii) the above bridge, if justified by the feasibility studies.

#### III. The procurement of highway maintenance equipment and spare parts required for the adequate maintenance of the roads to be constructed under the Project and of other major roads in the region.

The Project is expected to be completed by December 31, 1971.

## SCHEDULE III

## AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
January 15, 1973 . . . . .	105,000	July 15, 1981 . . . . .	180,000
July 15, 1973 . . . . .	105,000	January 15, 1982 . . . . .	185,000
January 15, 1974 . . . . .	110,000	July 15, 1982 . . . . .	190,000
July 15, 1974 . . . . .	115,000	January 15, 1983 . . . . .	195,000
January 15, 1975 . . . . .	120,000	July 15, 1983 . . . . .	205,000
July 15, 1975 . . . . .	120,000	January 15, 1984 . . . . .	210,000
January 15, 1976 . . . . .	125,000	July 15, 1984 . . . . .	215,000
July 15, 1976 . . . . .	130,000	January 15, 1985 . . . . .	225,000
January 15, 1977 . . . . .	135,000	July 15, 1985 . . . . .	230,000
July 15, 1977 . . . . .	140,000	January 15, 1986 . . . . .	240,000
January 15, 1978 . . . . .	145,000	July 15, 1986 . . . . .	245,000
July 15, 1978 . . . . .	150,000	January 15, 1987 . . . . .	255,000
January 15, 1979 . . . . .	155,000	July 15, 1987 . . . . .	265,000
July 15, 1979 . . . . .	160,000	January 15, 1988 . . . . .	270,000
January 15, 1980 . . . . .	165,000	July 15, 1988 . . . . .	280,000
July 15, 1980 . . . . .	170,000	January 15, 1989 . . . . .	285,000
January 15, 1981 . . . . .	175,000		

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05(b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity . . . . .	$\frac{3}{4}$ %
More than three years but not more than six years before maturity . . . . .	$1\frac{3}{4}$ %
More than six years but not more than eleven years before maturity . . . . .	$2\frac{3}{4}$ %
More than eleven years but not more than sixteen years before maturity . . . . .	$4\frac{1}{2}$ %
More than sixteen years but not more than eighteen years before maturity . . . . .	$5\frac{1}{2}$ %
More than eighteen years before maturity . . . . .	$6\frac{1}{2}$ %

## SCHEDULE IV

## PROCUREMENT OF GOODS

1. Bidding documents for all goods to be financed out of the proceeds of the Loan shall state that the bidder must submit separately one schedule of unit prices

excluding duties and taxes levied on the import of goods into the territories of the Borrower, and another schedule of unit prices including duties and taxes levied on the import of such goods.

2. The evaluation of bids shall be made on the basis of the schedule of unit prices excluding duties and taxes levied on the import of goods.

3. One conformed copy of all contracts for the procurement of goods to be financed out of the proceeds of the Loan shall promptly be sent to the Bank.

4. Whenever a contract under the Project is awarded to a supplier not registered in Gabon, the Borrower shall facilitate the accomplishment by such supplier of all regulatory formalities which may be required to enable it to carry out such contract.

#### SCHEDULE V

##### GENERAL DESIGN STANDARDS FOR CONSTRUCTION OF THE PROJECT ROADS

Design speed (km/h) . . . . .	40 (minimum for critical sections)
Clearing and grubbing width (m) . . . . .	40 clearing, 20 grubbing along the center line
Roadway width (m) . . . . .	9.00
Surfacing width (m) . . . . .	9.00 (laterite)
Minimum horizontal radius of curvature (m) . . . . .	50 ; exceptional 30
Maximum grade (%) . . . . .	10
Maximum axle loading (ton) . . . . .	10
Maximum load design for bridges . . . . .	H-20 S-16 (AASHO)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961,  
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 615, p. 98.*]